

**GRANT PARISH FIRE PROTECTION
DISTRICT FOUR**

June 30, 2000

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Independent Auditors' Report

The Board of Directors
Grant Parish Fire Protection
District Four
Georgetown, Louisiana

We have audited the accompanying general purpose financial statements of the Grant Parish Fire Protection District Four as of and for the twenty-four month period ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of Grant Parish Fire Protection District Four's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of accounting records for the years prior to 1991, we were unable to form an opinion regarding the amount at which fixed assets are recorded in the accompanying balance sheet at June 30, 2000 (stated at \$183,311).

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had prior year records concerning fixed assets been adequate, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Grant Parish Fire Protection District Four as of June 30, 2000, and the results of its operations for the twenty-four month period then ended, in conformity with generally accepted accounting principles.



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In accordance with *Government Auditing Standards*, we have also issued a report dated January 18, 2001, on our consideration of the Fire Department's Compliance and Internal Control over Financial Reporting.

A handwritten signature in cursive script that reads "Oestricher & Company".

OESTRICHER & COMPANY
Certified Public Accountants

January 18, 2001
Alexandria, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

JUNE 30, 2000

	<u>GOVERNMENTAL FUND</u>	<u>ACCOUNT GROUP</u>	
	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
ASSETS			
Assets:			
Cash and cash equivalents	\$39,191	\$0	\$39,191
Investments	16,324	0	16,324
Accounts receivable	1,530	0	1,530
Equipment and furniture	0	118,374	118,374
Building	0	64,937	64,937
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$57,045</u></u>	<u><u>\$183,311</u></u>	<u><u>\$240,356</u></u>
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Accounts payable	<u>\$119</u>	<u>\$0</u>	<u>\$119</u>
Equity and other credits:			
Investment in general fixed assets	0	183,311	183,311
Fund balance:			
Designated for equipment	7,500	0	7,500
Unreserved-undesignated	<u>49,426</u>	<u>0</u>	<u>49,426</u>
	<u> </u>	<u> </u>	<u> </u>
Total equity and other credits	<u><u>56,926</u></u>	<u><u>183,311</u></u>	<u><u>240,237</u></u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u><u>\$57,045</u></u>	<u><u>\$183,311</u></u>	<u><u>\$240,356</u></u>

The notes to the financial statements are an integral part of this statement.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES**

for the twenty-four month period ended June 30, 2000

	GOVERNMENTAL FUND
	GENERAL FUND
REVENUES	
Millage tax	\$22,443
Rural Community Fire Protection Program	1,408
State revenue sharing	2,313
Fire insurance rebate	5,633
Interest income	3,116
Fund raiser income	0
Donations	8,247
TOTAL REVENUES	43,160
EXPENDITURES	
Audit expense	2,700
Insurance	5,994
Miscellaneous	1,879
Repairs	0
Supplies	2,040
Training	70
Truck fuel and maintenance	720
Utilities	1,798
Capital outlay	23,348
TOTAL EXPENDITURES	38,549
EXCESS OF REVENUES OVER EXPENDITURES	4,611
FUND BALANCE AT JULY 1, 1998	52,315
FUND BALANCE AT JUNE 30, 2000	\$56,926

The notes to the financial statements are an integral part of this statement.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES**

for the twenty-four month period ended June 30, 2000

	GENERAL FUND		OVER (UNDER) BUDGET
	BUDGET	ACTUAL	
REVENUES			
Millage tax	\$18,000	\$22,443	\$4,443
Rural Community Fire Protection Program	2,400	1,408	(992)
State revenue sharing	2,500	2,313	(187)
Fire insurance rebate	2,150	5,633	3,483
Interest income	2,400	3,116	716
Fund raiser income	5,200	0	(5,200)
Donations	7,500	8,247	747
TOTAL REVENUES	<u>40,150</u>	<u>43,160</u>	<u>3,010</u>
EXPENDITURES			
Auditing expense	2,700	2,700	0
Insurance	8,000	5,994	(2,006)
Miscellaneous	2,900	1,879	(1,021)
Repairs	400	0	(400)
Supplies	200	2,040	1,840
Training	3,000	70	(2,930)
Truck fuel and maintenance	2,600	720	(1,880)
Utilities	2,400	1,798	(602)
Capital outlay	21,550	23,348	1,798
Debt service:			
Principal	10,000	0	(10,000)
TOTAL EXPENDITURES	<u>53,750</u>	<u>38,549</u>	<u>(15,201)</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(13,600)	4,611	18,211
FUND BALANCES AT JULY 1, 1998	<u>52,315</u>	<u>52,315</u>	<u>0</u>
FUND BALANCES AT JUNE 30, 2000	<u>\$38,715</u>	<u>\$56,926</u>	<u>\$18,211</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR**

JUNE 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Grant Parish Fire Protection District Four (The Fire Department) provides fire protection for the citizens of District Four in Grant Parish, Louisiana. The Fire Department operates under a Board of Directors form of government. The following is a summary of certain significant accounting policies and practices.

Basis of Presentation

The accompanying financial statements of Grant Parish Fire Protection District Four have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestations of this ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. No potential component units were in existence at June 30, 2000, and, therefore, none have been included within the reporting entity.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR**

JUNE 30, 2000

Fund Accounting

The accounts of Grant Parish Fire Protection District Four are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fund is the only governmental fund of the Fire Department. It is used to account for all financial resources.

Basis of Accounting

The governmental fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are interest revenues and grants. Fire insurance rebate, state revenue sharing, and millage taxes are not susceptible to accrual because generally they are not measurable until received in cash.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR**

JUNE 30, 2000

Budgets and Budgetary Accounting

The Fire Department follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The secretary/treasurer prepares a proposed budget and submits it to the Board of Directors no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Directors prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted.
7. Budgets are used as a means of controlling amounts that can be expended for use in the operations of the Fire Department. The level on which expenditures may legally exceed budgeted amounts is determined by the Board of Directors on an individual expenditure basis in the event an expenditure approaches the budgeted level.

Encumbrances

The Fire Department does not record encumbrances in its accounting system.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR**

JUNE 30, 2000

Cash and Cash Equivalent and Investments

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalent includes amounts in certificates of deposit with original maturities of 90 days or less. Investments include amounts in certificates of deposit if their original maturities exceed 90 days. Investments are stated at cost.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain and infrastructures are not capitalized. Interest costs incurred during construction are capitalized. During the twenty-four month period ended June 30, 2000, no interest has been capitalized for this purpose. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. A 1956 Ford fire truck donated by the District Five Volunteer Fire Department is stated at fair market value.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. This will affect the reported amounts of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these amounts.

Fund Equity

Designated fund balances represent tentative plans for future use of financial resources.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR**

JUNE 30, 2000

Total Columns on Statements

The total columns on the statements are captioned Memorandum Only to indicated that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At June 30, 2000, the Fire Department had cash and cash equivalents totaling \$39,191 in interest-bearing demand deposits. These deposits are stated at cost, which approximates market. These deposits are insured to Federal Depository Insurance Corporation limits of \$100,000. At June 30, 2000, the Fire Department had no cash balances which were not collateralized.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance <u>7/1/98</u>	Additions	Deletions	Balance <u>6/30/00</u>
Equipment and furniture	\$ 109,963	\$8,411	\$ 0	\$ 118,374
Building	<u>50,000</u>	<u>14,937</u>	<u>0</u>	<u>64,937</u>
	<u>\$159,963</u>	<u>\$23,348</u>	<u>\$ 0</u>	<u>\$183,311</u>

4. INVESTMENTS

At June 30, 2000, the Fire Department had certificates on deposit in the amount of \$16,324. The investment is recorded at cost, which approximates market.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR**

JUNE 30, 2000

5. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

No provision has been made for uncollectible receivables since management considers all receivables collectible.

6. LEASE

The Fire Department entered into a land lease agreement on February 1, 1999 for \$125 per year. Termination of the lease will occur if the Fire Department becomes inactive for the period of one year.

Future minimum payments required under the lease are as follows:

2001	\$125
2002	\$125
2003	\$125
2004	\$125
2005	\$125

7. RELATED PARTY TRANSACTIONS

The Fire Department entered into a land lease agreement with A.C. Riggs on February 1, 1999. A.C. Riggs is the father of Bill Riggs who is an at large board member of the Fire Department. The lease is an open-end lease and will continue until the dismissal of the Fire Department. Lease expense totaled \$250 for the twenty-four months ended June 30, 2000.



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Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Grant Parish Fire Protection
District Four
Georgetown, Louisiana

We have audited the general purpose financial statements of Grant Parish Fire Protection District Four as of and for the twenty-four month period ended June 30, 2000, and have issued our report thereon dated January 18, 2001. We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Fire Department's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on the overall compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*. This instance of noncompliance is described in the accompanying schedule of findings.

Internal Control Over Financial Reporting

In planning and performing our audit of the general purpose financial statements of Grant Parish Fire Protection District Four for the twenty-four month period ended June 30, 2000, we considered the Fire Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide

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assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned function. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management of Grant Parish Fire Protection District Four. However, this report is a matter of public record and its distribution is not limited.


OESTRICHER & COMPANY
Certified Public Accountants

January 18, 2001
Alexandria, Louisiana

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE TWENTY-FOUR MONTH PERIOD ENDED JUNE 30,2000**

We have audited the general purpose financial statements of the Grant Parish Fire Protection District Four for the twenty-four month period ended June 30, 2000, and issued our report dated January 18, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2000 resulted in a qualified opinion.

Section I – Summary of Auditor's Reports

Report of Internal Control and Compliance Material to the Financial Statements

Our audit disclosed no material weaknesses in the internal controls over financial reporting. Our audit disclosed one material instance of non-compliance with laws and regulations.

Section II – Financial Statement Findings

2000-1

Statement of Condition – The audit of the financial statements for the twenty-four month period ended June 30, 2000 was not completed in a timely manner.

Criteria – Audited financial statements must be submitted within six months of the year-end date of the period covered in the audit.

Effect of Condition – The resulting condition is noncompliance with LSA-RS 24:513.

Cause of Condition – Management was unable to assemble the financial information in a timely manner to complete the audit in the specified time.

Recommendation – Keep financial information up to date and in an organized file. This will allow management to prepare the financial information and will be audited in a timely manner.

Questioned Costs – None.

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE TWENTY-FOUR MONTH PERIOD ENDED JUNE 30, 2000**

Section I – Internal Control and Compliance Material to Financial Statement

Finding 2000-1 – The audit of the financial statements for the twenty-four month period ended June 30, 2000 was not completed in a timely manner.

Planned corrective action – Secretary/Treasurer Sybil Richards is responsible for recording financial information and effective immediately will better organize financial information pertinent to the audit.

Section II – Internal Control and Compliance Material to Federal Awards

There were no federal awards.

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards.

**GRANT PARISH
FIRE PROTECTION DISTRICT FOUR
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE TWENTY-FOUR MONTH PERIOD ENDED JUNE 30, 2000**

Section I -- Internal Control and Compliance Material to the Financial Statements

There were no findings for the twenty-four month period ended June 30, 1998.

Section II -- Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III -- Federal Awards Findings and Questioned Costs

There were no federal awards.